

ASSEMBLY BILL

No. 206

Introduced by Assembly Member Wyland

February 9, 2001

An act to amend Section 155.20 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 206, as introduced, Wyland. Property taxation: exemptions: low-valued properties.

Existing provisions of the California Constitution authorize the Legislature, with the approval of $\frac{2}{3}$ of the membership of each legislative house, to allow a county board of supervisors to exempt from property taxation those properties having a full value too low to justify the costs of assessment and collection.

Existing property tax law implementing this authority limits any exemption granted thereunder by a county board of supervisors to property with a base year value or full value of \$5,000 or less, and to \$50,000 in the case of a possessory interest, for a temporary and transitory use, in a publicly owned convention or cultural facility, as defined.

This bill would increase the \$5,000 limit to \$10,000, and would annually adjust that limit by an inflation factor based on the California Consumer Price Index.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

This bill would take effect immediately as a tax levy.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 155.20 of the Revenue and Taxation
2 Code is amended to read:

3 155.20. (a) ~~(Subject~~ *Subject* to the limitations listed in
4 ~~subsections subdivisions~~ (b), (c), (d), and (e), a county board of
5 supervisors may exempt from property tax all real property with
6 a base year value (as determined pursuant to Chapter 1
7 (commencing with Section 50) of Part 0.5), and personal property
8 with a full value so low that, if not exempt, the total taxes, special
9 assessments, and applicable subventions on the property would
10 amount to less than the cost of assessing and collecting them.

11 (b) (1) The board of supervisors shall have no authority to
12 exempt property with a total base year value or full value of more
13 than ~~five thousand dollars (\$5,000)~~ *ten thousand dollars*
14 *(\$10,000)*, except that this limitation is increased to fifty thousand
15 dollars (\$50,000) in the case of a possessory interest, for a
16 temporary and transitory use, in a publicly owned fairground,
17 fairground facility, convention facility, or cultural facility. For
18 purposes of this paragraph, “publicly owned convention or
19 cultural facility” means a publicly owned convention center, civic
20 auditorium, theater, assembly hall, museum, or other civic
21 building that is used primarily for staging any of the following:

22 (A) Conventions, trade and consumer shows, or civic and
23 community events.

24 (B) Live theater, dance, or musical productions.

25 (C) Artistic, historic, technological, or educational exhibits.

26 (2) In determining the level of the exemption, the board of
27 supervisors shall determine at what level of exemption the costs of
28 assessing the property and collecting taxes, assessments, and
29 subventions on the property exceeds the proceeds to be collected.
30 The board of supervisors shall establish the exemption level

1 uniformly for different classes of property. In making this
2 determination, the board of supervisors may consider the total
3 taxes, special assessments, and applicable subventions for the year
4 of assessment only or for the year of assessment and succeeding
5 years where cumulative revenues will not exceed the cost of
6 assessments and collections.

7 *(3) On each lien date, the ten thousand dollars (\$10,000)*
8 *limitation specified in paragraph (1) shall be adjusted by an*
9 *inflation factor that is the percentage change, rounded to the*
10 *nearest one-thousandth of 1 percent, from October of the prior*
11 *fiscal year to October of the current fiscal year in the California*
12 *Consumer Price Index for all items, as determined by the*
13 *California Department of Industrial Relations. The department*
14 *shall annually provide this inflation factor to each county assessor*
15 *prior to the lien date.*

16 (c) This section does not apply to those real or personal
17 properties enumerated in Section 52.

18 (d) The exemption authorized by this section shall be adopted
19 by the board of supervisors on or before the lien date for the fiscal
20 year to which the exemption is to apply and may, at the option of
21 the board of supervisors, continue in effect for succeeding fiscal
22 years. Any revision or rescission of the exemption shall be adopted
23 by the board of supervisors on or before the lien date for the fiscal
24 year to which that revision or rescission is to apply.

25 (e) Nothing in this section shall authorize either of the
26 following:

27 (1) A county board of supervisors to exempt new construction,
28 unless the new total base year value of the property, including this
29 new construction, is five thousand dollars (\$5,000) or less.

30 (2) An assessor to exempt or not to enroll any property of any
31 value, unless specifically authorized by a county board of
32 supervisors, pursuant to this section.

33 SEC. 2. Notwithstanding Section 2229 of the Revenue and
34 Taxation Code, no appropriation is made by this act and the state
35 shall not reimburse any local agency for any property tax revenues
36 lost by it pursuant to this act.

37 SEC. 3. This act provides for a tax levy within the meaning of
38 Article IV of the Constitution and shall go into immediate effect.

